

STATE OF HAWAII
REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS

To: Chief Procurement Officer

'05 AUG 17 P5:16

From: Health/Developmental Disabilities Division/Case Management and Information
Services Branch

Department/Division/Agency

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Title and description of health and human service(s):

Personal Assistance Services:

Personal Assistance services are 1:1 services provided by a direct care worker to assist a person with developmental disabilities in activities of daily living and to participate in community activities. Such services are identified in an Individualized Plan of Care for persons receiving services from the Developmental Disabilities Division (DDD).

Provider Name: Arc In Hawaii	Total Contract Funds: \$24,500	Term of Contract:
Provider Address: 3989 Diamond Head Road Honolulu, Hawaii 96816	Contract Funds per Year (as applicable).	From: To: 7/1/04 6/30/05

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:

A client in the DDD system moved from the island of Hawaii to Oahu on July 15, 2004. He was placed into a Developmental Disabilities Domiciliary Home operated by the Arc in Hawaii. Due to his need for supports beyond room, board and general supervision, personal assistance services were arranged to be provided by the Arc. The intent was to use POS funds for the short term and enroll the person in the Medicaid Waiver as a means to fund ongoing long term supports. However, the Oahu case manager did not initiate the Medicaid Waiver admission process until May 2005 with the person being admitted in July 2005. During the interim, the individual continued to receive personal assistance services from the Arc in Hawaii. The Arc in Hawaii was selected as the provider because the individual elected to live in a Developmental Disabilities Domiciliary Home operated by the agency. Kona Krafts, as a POS contractor, has paid the Arc in Hawaii a total of \$3,990. Unfortunately sufficient funds are not available under the POS contract with Kona Krafts to pay for all of the services that were provided by the Arc in Hawaii. It is estimated that the total cost of services from the Arc will be an additional \$24,500 for the period between July 2004 and June 2005.

Although there was no intent to evade the procurement process, we were in error not to have initiated Waiver admission in July 2004. Regretfully, this has resulted in this request for an after-the-fact purchase to pay the Arc for services from July 2004 to June 2005.

Based upon a Settlement and Release Agreement between the State of Hawaii and Hawaii Disability Rights Center filed in U.S. District Court, the DDD will start to require all individuals to apply for Medicaid and admission into the Medicaid Waiver. Only if individuals are denied admission will they be

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able to utilize POS services. The DDD will centrally track and monitor the Medicaid eligibility and Waiver admission timelines for clients. This will insure that admission processes in the future are done in a timely manner. Lack of knowledge of the procurement process was not a related factor as much as obtaining timely admission into the Waiver. This information will be reviewed with supervisors to avoid similar circumstances in the future.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:

The Arc in Hawaii was selected to provide personal assistance because the person elected to live in a home operated and staffed by the agency. Under the POS contracts, the contracted provider can provide payment for services based on client choice. As a result, the contracted POS provider (Kona Krafts) paid for the services due to the individual's choice of service provider (Arc in Hawaii). The DDD requests that the additional retroactive payment be made to the Arc in Hawaii since the individual elected to continue to live in the home.

A description of the state agency's internal controls and approval requirements for the exempted procurement: Effective July 2005, the individual's personal assistance services was funded through the Medicaid Waiver. Continued payment for services from the Arc in Hawaii after June 2005 is not requested.

In future, the DDD will issue an official division policy that all individuals must apply for Medicaid and the Medicaid Waiver or they cannot receive POS funded services. The application process will be monitored in accordance with the Settlement Agreement.

Case Management Unit Supervisors: Implementation of Policy
Quality Assurance Unit: Monitor timelines for each individual
Compliance Officer (pending hire): Monitor and follow up on Settlement compliance
Branch Chief: Review and follow up

A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Michael Tamanaha: CMISB Branch Chief
Compliance Officer: Position advertised
Quality Assurance: Tracey Comeaux
Case Management Unit Supervisors: 8 on Oahu, 1 for each Neighbor Island (Maui, Kauai, Hawaii)

Direct questions to (name & position): Michael Tamanaha, CMISB Chief	Phone number: 733-9172	e-mail address: mitamana@mail.health.state.hi.us
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This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☐ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.



Department Head Signature

AUG 15 2005

Date

Chiyome Leinaala Fukino, M.D.

Typed Name

Director of Health

Position Title

Chief Procurement Officer's Comments:

Once again, DDD is reminded it is the responsibility of the purchasing agency to rectify any lack oversight over procurements.

Please ensure adherence to applicable administrative requirements.

☒ Approved

☐ Denied



Chief Procurement Officer

8/25/05

Date

cc: Administrator
State Procurement Office